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It is said that the words of a statute are to be taken in the sense in which they will be understood by that public in which they are to take effect. *United States v. Isham*, 17 Wall. (U. S.) 496. And as the phrase "obtaining property on credit" does not ordinarily import to the commercial public a borrowing of money on time, it is argued that procuring cash by false statements is not cause for denying discharge. *COLLIER, BANKRUPTCY*, 6 ed., 198. But the law recognizes property in cash. And statutes defining the offense of obtaining property by false pretenses do not distinguish property in cash from property in other forms. See *State v. Rowley*, 12 Conn. 101. Money, then, clearly comes within the terms of the Act. Also in other sections of the Act "property" has been held to include money. See *Pirie v. Chicago, etc., Co.*, 182 U. S. 438. As nothing in the Act shows that the intention of Congress was to favor bankrupts who operate in cash, the present case must be supported. See *In re Dresser & Co.*, 144 Fed. 318.

BANKRUPTCY — POWERS AND DUTIES OF TRUSTEE — RECOVERY OF FRAUDULENTLY TRANSFERRED PROPERTY. — A trustee in bankruptcy filed a bill in equity to have a fraudulent transfer from the bankrupt to the defendant set aside. The defendant pleaded in bar that the complainant, with full knowledge of the facts, had ratified the transfer by obtaining a judicial order requiring the bankrupt to turn over the balance of the amount received from the defendant for the transferred property and unaccounted for. *Held*, that the plea is a valid defense. *Thomas v. Sugerman*, 157 Fed. 669 (C. C. A., Second Circ.).

The court relies on the doctrine of equitable estoppel, as found in cases of conversion, where a plaintiff, having first brought an action *ex contractu*, is held to have elected to pass title, so that he cannot thereafter recover for the conversion. *Terry v. Munger*, 121 N. Y. 161. The analogy is specious rather than convincing. For the case does not seem to present an election by the trustee between inconsistent rights. On the contrary, he is but carrying out two statutory duties: the one, to collect property in the possession of the bankrupt; the other, to proceed against the bankrupt's fraudulent grantees. Indeed, if he neglects the former, he may be liable in damages. *In re Reinboth*, 157 Fed. 672; see 21 HARV. L. REV. 441. A trustee's authority under the Bankruptcy Act is closely restricted, and the sole provision for his passing title is under § 70 c, on a sale of bankrupt property. It scarcely seems within the spirit of the Act to argue that a trustee, by merely performing a duty, has ratified the bankrupt's fraudulent transfer and made a sale to the detriment of the creditors.

BANKRUPTCY — PREFERENCES — PAYMENT TO PUBLIC AGENT FOR HIS PRINCIPAL. — A bankrupt preferred a town, making the payment to the township trustees, an office created by statute, and given power to sue and be sued on certain contracts. The trustees knew of the bankruptcy. *Held*, that they are liable to the bankrupt's assignee. *Painter v. Napoleon Township*, 156 Fed. 289 (Dist. Ct., N. D. Oh.). See NOTES, p. 534.

BANKRUPTCY — RIGHTS AND DUTIES OF BANKRUPT — EFFECT OF ADJUDICATION ON TITLE TO BANKRUPT'S PROPERTY BEFORE APPOINTMENT OF TRUSTEE. — The plaintiff's property was insured by the defendant company. The policy contained a condition that the policy should become void if any change took place in interest, title, or possession. After the plaintiff had been adjudicated a bankrupt, but before the appointment of a trustee, the property was destroyed. *Held*, that the policy has not become void. *Gordon v. Mechanics', etc., Ins. Co.*, 45 So. 384 (La.). See NOTES, p. 531.

BILLS AND NOTES — FICTITIOUS PAYEE — EFFECT OF DRAWER'S INTENTION. — The plaintiff, on the fraudulent representation of A, and to pay for shares of stock alleged to be for sale by B, drew a check payable to the order of B, who was ignorant of the transaction and had no such stock. A then indorsed the check, using the payee's name, to the defendant bank, a *bona fide*

purchaser for value. The defendant collected the amount from the plaintiff's bank, which amount the plaintiff seeks to recover. *Held*, that the defendant is not entitled to the proceeds of the check. *North and South Wales Bank v. Macbeth*, 24 T. L. R. 397 (Eng., H. of L., March 5, 1908).

For a discussion of this case in the Court of Appeal, see 21 HARV. L. REV. 214.

CARRIERS — CONNECTING LINES — LIABILITY OF INITIAL CARRIER FOR INJURIES OCCURRING ON CONNECTING LINES. — The defendant accepted the plaintiff's goods for transportation beyond its own line, receiving full payment and issuing a through bill of lading. The goods were injured while in the possession of a connecting carrier. *Held*, that the defendant is liable. *St. Louis, I. M. & S. Ry. Co. v. Randle*, 107 S. W. 669 (Ark.).

A carrier's liability for injuries not occurring on its own line arises only by contract express or implied. Whether such a contract is to be implied from the circumstances of a particular shipment is properly a question for the jury. *Gray v. Jackson*, 51 N. H. 9. The present case, however, follows the English rule that, as a matter of law, mere acceptance of the goods for carriage beyond the carrier's line constitutes an implied contract of through carriage. In this country the greater distances and dangers, making the hardship to the carrier seem larger, apparently prevented its adoption generally; and, since the acceptance is obligatory, this rule is certainly too strict. Cf. *Nutting v. Conn. R. R.*, 1 Gray (Mass.) 502; *Van Santvoord v. St. John*, 6 Hill (N. Y.) 157. Nevertheless the shipper's difficulties, first in placing responsibility for a loss and then in suing in a distant state, demand that a through contract should be readily implied, especially as the carrier may to some extent limit his liability by express contract. Therefore the result in the present case, where a through rate was made and a through bill of lading issued, each in itself strong evidence of a through contract, seems correct. *R. R. Co. v. Pratt*, 22 Wall. (U. S.) 123.

CONFLICT OF LAWS — OBLIGATIONS EX DELICTO — RECOVERY FOR CARRIER'S FAILURE TO DELIVER. — The plaintiff delivered goods to the defendant carrier in Kansas for transportation to Massachusetts. The goods were destroyed in Kansas under circumstances rendering the carrier liable. The plaintiff sued in Missouri *ex delicto* for failure to deliver, and by the law of the forum, if an action was barred by the statute of limitations in the state where it arose, no action would lie. *Held*, that the right of action arose in Massachusetts and that the Kansas statute of limitations is inapplicable. *Merritt Creamery Co. v. Atchison, T. & S. F. Ry. Co.*, 107 S. W. 462 (Mo., K. C. Ct. App.).

It is generally recognized that a common carrier through whose fault goods are destroyed is subject to an action either *ex contractu* or *ex delicto*. *Denman v. Chicago, etc., Co.*, 52 Neb. 140. If the suit is *ex contractu*, the validity of the contract and the extent of the carrier's obligation should be governed by the *lex loci contractus*. See 10 HARV. L. REV. 168. But if the contract is broken, the right to damages is a cause of action arising at the place of performance, since it is there that the promisor breaks his contract. See 17 HARV. L. REV. 354. When sued in tort, however, the obligation of the carrier as well as its breach is governed by the law of the place where the acts complained of occurred. *Indiana, etc., Co. v. Masterson*, 16 Ind. App. 323. Had the plaintiff sued in contract for the breach, his cause of action would certainly have arisen in Massachusetts. *Curtis v. Delaware, etc., Co.*, 74 N. Y. 116. But the defendant is under a duty, apart from contract, to deliver. *Raphael v. Pickford*, 5 M. & G. 551. The cause of action founded on a breach of this duty also arose in Massachusetts, and the present case is sound in so holding.

CONSTITUTIONAL LAW — DUE PROCESS OF LAW — CONSTITUTIONALITY OF STATUTE AUTHORIZING SERVICE BY PUBLICATION ON CORPORATIONS. — A domestic corporation was served by publication according to Virginia Code, 1904, § 3225, which provides for publication of process once a week for four successive weeks in a newspaper, published in the state, in case no person who can be served for the corporation is in the county where suit is brought.